

## Message Text

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PAGE 01 STATE 050782  
ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 SS-15  
NSCE-00 INRE-00 SSO-00 /051 R

DRAFTED BY EB/TRA:JRATWOOD:BD  
APPROVED BY EB:JLKATZ  
EUR/NE:GOODMAN (SUB)  
-----056915 280138Z /73  
O 280110Z FEB 78  
FM SECSTATE WASHDC  
TO AMEMBASSY LONDON IMMEDIATE

C O N F I D E N T I A L STATE 050782

E.O. 11652: GDS

TAGS: EAIR, UK

SUBJECT: CIVAIR: BRANIFF FARES

REF: (A) STATE 46400; (B) LONDON 3067

1. TOMORROW CAB WILL SEND ORDER TO PRESIDENT WHICH WOULD SUSPEND BRANIFF'S PROPOSED HIGHER FARES AND BCAL'S EXISTING FARES, AND WOULD CONDITION FUTURE BCAL OPERATIONS UPON UK'S AGREEING TO ALLOW BOTH BCAL AND BRANIFF TO CHARGE LOW FARES INITIALLY FILED BY BRANIFF WITH BOTH GOVERNMENTS. UNDER TERMS OF ORDER, BCAL OPERATIONS WOULD PROBABLY NOT BE SUBSTANTIALLY AFFECTED UNTIL 15 DAYS AFTER SIGNED BY PRESIDENT. BOARD DECISION WAS REACHED IN CLOSED MEETING. WHEN PRESIDENT WILL REVIEW ORDER IS UNCLEAR, BUT UNDER PROBABLE INTERPRETATION OF LAW, HE MUST ACT ON IT WITHIN 10 DAYS OR IT BECOMES AUTOMATICALLY EFFECTIVE. SUGGEST YOU ADVISE UK AUTHORITIES OF ABOVE. UK EMBASSY IN WASHINGTON WILL BE INFORMED DIRECTLY.  
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2. REF LONDON 3067, EMBASSY SHOULD BE ADVISED THAT LOW FARE ISSUE IS OF HIGH IMPORTANCE IN USG POLICY. FURTHER, BERMUDA 2 AGREEMENT WAS DEFENDED BY ADMINISTRATION WITHIN US ON GROUND THAT LOW-FARE LANGUAGE OF TARIFF PROVISION WOULD OFFSET OTHER UNDESIRABLE FEATURES OF AGREEMENT.

UK ACTION IN TAKING HARD LINE ON LOW FARES, IN DICTATING FARES TO BRANIFF, AND IN AGREEING WITH ECAC NATIONS TO RESIST LOW FARES IS THEREFORE AN EXTREMELY DISTRESSING PRECEDENT THAT SHOULD BE RESISTED STRONGLY. GIVEN STRONG POLICY DISAGREEMENTS BETWEEN USG AND UK ON MANY AVIATION POINTS, FRICTION WILL INEVITABLY OCCUR AT TIMES, BUT WE MUST DEFEND OUR POSITION STRONGLY.

3. AT SAME TIME, DEPARTMENT RECOGNIZES THAT RETALIATORY ACTION BY US SHOULD BE TAKEN ONLY WITH GREAT RELUCTANCE, AND WE HAVE STATED THIS VIEW WITHIN USG. MARCH 6 CONSULTATIONS MAY ELIMINATE DISPUTE IF UK RELENTS, BUT WE RECOGNIZE THAT AN OUTSTANDING ORDER MAY NOT FACILITATE NEGOTIATIONS. VANCE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AIR FARES, AVIATION REGULATIONS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 feb 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE050782  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** JRATWOOD:BD  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Office:** ORIGIN EB  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Classification:** CONFIDENTIAL  
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**Reference:** 78 STATE 46400, 78 LONDON 3067  
**Retention:** 0  
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**Review Event:**  
**Review Exemptions:** n/a  
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**Subject:** CIVAIR: BRANIFF FARES  
**TAGS:** EAIR, UK, BRANIFF, BCAL  
**To:** LONDON  
**Type:** TE  
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**Review Markings:**  
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